



Item # 8  
Bill 20 (2015)

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August 18, 2015

Honolulu City Council Committee on Zoning and Planning  
Thursday, August 20, 2015, 9:00 AM  
Committee Meeting Room, Honolulu Hale

**SUPPORT: Bill 20**

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Aloha e Council Members,

I am submitting testimony in **STRONG SUPPORT** of Bill 20, legislation that will provide the opportunity for accessory dwelling units (ADUs) to be built and regulated in the City and County of Honolulu, thus allowing our Honolulu residents to become a part of the solution in addressing the severe need for housing among homeless families, overcrowded households, and our growing kupuna population.

I submit my testimony in my capacity as Executive Director of Hawaiian Community Assets (HCA), a statewide nonprofit 501c3 HUD-certified housing counseling agency that builds the capacity of low- and moderate-income communities to achieve and sustain economic self-sufficiency. Our business offers place-based youth and family financial education, housing counseling, and asset building programs to achieve our mission. HCA owns a nonprofit subsidiary, Hawaii Community Lending (HCL), which is a native community development financial institution that provides micro-loans to as a non-predatory payday loan alternative for low-income Hawaii residents. Founded in 2000, our organization serves 1,500 children and families annually through 24 remote site offices on all inhabited islands across the state. Since our inception we have assisted 1,492 low-income families secure or sustain permanent housing and helped our low-income communities access more than \$142 million in capital through mortgage financing, match savings, and micro-loans.

According to the Corporation for Enterprise Development's 2012 Assets and Opportunities Scorecard, Hawaii renters rank last in the nation in housing cost burden, paying, on average, 58.2% of their income toward housing. At the same time, Hawaii workers reported the lowest annual average pay rate in the nation as compared to other states and the District of Columbia. This economic situation, where our families are paying the highest costs for housing in the nation while earning the least amount of money, has impacted our local economy by resulting in higher homeless rates, greater overcrowding, and less opportunities for our keiki and kupuna to be housed.

Bill 20 would address this need for affordable housing on Oahu, and specifically the aforementioned statistics, as follows:

**ADUs create rental housing:** On Oahu, the greatest need is for affordable rental housing, but the private market has failed to create rental units. ADUs are a straightforward way to add to our affordable rental housing inventory without government subsidies, since homeowners cover the cost of development. The rents charged for ADUs are often affordable to low and moderate income renters.

**ADUs provide a flexible housing option:** Secondary units have long been used on Oahu as ohana dwellings and are ideal for intergenerational living. But while ohana units help adult children and aging parents to afford rental housing, the ban on rentals to non-relatives means that ADUs are limited in their usage. Allowing rentals to non-family members will ensure that ADUs benefit homeowners in all phases of life, including when they do not have family members in need of housing but still need stabilizing income. This also adds units into the general housing stock. Greater flexibility will encourage ADU production because homeowners know that they and future owners can use them long-term.

**ADUs help homeowners afford their homes:** ADUs provide an additional source of income, helping homeowners afford their own homes—they are better able to pay their mortgages, property taxes, and other expenses.

**ADUs enable aging in place:** Rental income supports elders on fixed incomes, helping them to stay in their homes. ADUs can house caregivers and promote safety by having another person live on-site.

**ADUs promote sustainability:** They help to prevent urban sprawl while still maintaining neighborhoods' character, and because of their smaller size, they use less energy.

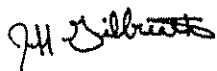
**ADUs support the local economy:** Developing ADUs creates work for local builders and contractors, increases sales of construction materials, and provides ongoing government support through property taxes.

**Regulated ADUs benefit tenants and the community:** Allowing and regulating ADUs will promote units that are code-compliant and that owners pay relevant fees, such as sewer fees, and GET on rental income.

Mahalo for the opportunity to submit my testimony in support of Bill 20 legislation that will provide the opportunity for accessory dwelling units (ADUs) to be built and regulated in the City and County of Honolulu, thus allowing our Honolulu residents to become a part of the solution in addressing the severe need for housing among homeless families, overcrowded households, and our growing kupuna population.

Please feel free to contact me directly at 808.587.7653 should you have any questions or need clarification.

Sincerely



Jeff Gilbreath  
Executive Director